

To: Mayor Ives and City Council

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Subject: Overlake Neighborhood Plan Implementation and Refinement

Planning and Public Works staff are preparing to begin work on a project for the Overlake Neighborhood which will involve evaluating actions needed to implement the existing vision and policies, and preparing for future work to extend the land use and transportation planning horizon from 2012 to 2030. This project is on the agenda for the June 22 City Council-Planning Commission meeting for initial discussion. At the joint meeting, we would like Council and Commission input on this project, including feedback on what you believe are City and regional interests related to Overlake, issues you would like to see explored as part of the project, and your perspective on the vision for Overlake. In preparation for your discussion with Commission, staff is scheduled to brief the City Council on this project at your June 7 meeting.

Background

The City updated the Overlake Neighborhood Plan in 1999, including updates to implementing provisions such as land use regulations and the Transportation Facility Plan. Several of the most significant issues addressed in the update concerned two portions of the neighborhood: the Shopping & Mixed Use Area and the Employment Area (see Map 1: Overlake Primary Study Area).

Vision

The vision for the Shopping & Mixed Use Area is to evolve to include a greater mix and density of uses in a vibrant environment that serves commercial needs for nearby areas and provides attractive and safe places to live close to shopping, restaurants, frequent transit service, and other amenities. Through redevelopment, retail storefronts would be located closer to the street as part of mid-rise (5-story), mixed-use developments, making the area more hospitable to transit, pedestrians, and bicycling.

The vision for the Employment Area is to continue as a major corporate, advanced technology, research and development, and compatible manufacturing hub for Redmond and the region. The area is envisioned to maintain its campus-like feel, with significant trees and tree clusters.

Currently, these two areas are home to 45 percent of Redmond's commercial floor area and nearly 500 residences. Approximately 33,400 people work in Overlake according to Redmond Business License data. Over the next 20 years, this area is planned to continue as one of Redmond's primary locations for future growth as well as a major center in the central Puget Sound region.

Progress Update

Since the update of the neighborhood plan, development has proceeded consistent with the land use vision for the Employment Area. In 1995, the base year used for the neighborhood plan, there were 7 million square feet of commercial space. As of May 2005, there were 15.3 million square feet of commercial space constructed or active, including the recently approved Microsoft Development Agreement and the proposed Nintendo Development Agreement. This brings the total for commercial floor area that is constructed or active to just under 100,000 square feet of the commercial development cap of 15.4 million square feet.

Progress on the vision for the Shopping & Mixed Use Area has been slower. Construction of the Villages at Overlake Station in 2000 added 308 dwellings. While there has been some developer interest in additional residential or potentially mixed-use developments, the City has not received any formal applications.

Current Status and Outlook

Based on City Council's expressed interests (2004 Retreat) and staff assessment of needs, implementation and plan refinement for these two portions of the Overlake Neighborhood are a major priority for staff's 2005-06 work plan. Among the factors that provide impetus for this study:

- Importance of Overlake in Achievement of City's Housing Policies: The Overlake Neighborhood is second only to the Downtown in the amount of residential development that is projected to occur through 2022. As the amount of vacant and potentially redevelopable land in Redmond's residential neighborhoods decreases, the City will increasingly rely on the mixed use zones of Overlake and Downtown in meeting its housing objectives. A key question is whether the current regulations and investments for this area sufficiently encourage the amount and variety of housing that is needed to enable more people to live closer to work, reduce commuting needs, and participate more fully in the community.
- Planning for High Capacity Transit (HCT): Sound Transit is scheduled to undertake Phase 2 planning and public involvement from June 2005 through May 2006. While the Comprehensive Plan and Transportation Master Plan identify Overlake as a desired

location for HCT service, the City has not identified a preferred alignment and station area(s) within Overlake. This reduces the City's effectiveness in working with Sound Transit and other interests in the region as part of Phase 2 planning.

- Priority Action in Transportation Master Plan (TMP): While the TMP includes the transportation projects established through the BROTs agreement, it also recognizes that more detailed study is needed to assess what transportation facilities and programs are needed to support the mixed use and pedestrian supportive environment envisioned for the Shopping & Mixed Use Area.
- Council's Interest in Economic Goals for Overlake: As one of the outcomes of your 2004 retreat, Council included an objective of defining the Overlake Urban Economic Neighborhood Initiative goals.
- Preparation for long-range land use and transportation planning: The City of Bellevue has begun an examination of future growth and transportation scenarios for the Bel-Red Corridor. In part, Bellevue's work is prompted by the land use transition that is beginning to occur in the Bel-Red area, as some of the industrial, warehouse, and distribution uses planned there decades ago moved elsewhere in the region where land is less expensive. Bellevue plans to evaluate various alternative growth scenarios for the corridor through 2030, including a "no action" alternative. Among the major study objectives are evaluating the role of this area as part of Bellevue's overall economic strategy, identifying a vision for future growth in the area, identifying needed transportation improvements, informing HCT alignment and station area decisions, and undertaking implementation actions as needed.

In 2003, the Redmond City Council directed staff to begin re-evaluation of the 15.4 million square foot commercial growth limit for Overlake on or before January 31, 2008. The Council gave this direction through Resolution No. 1166, which selected the preliminary preferred growth strategy through 2022. Policy N-OV-75 also calls for re-evaluating the amount of development which can be accommodated in Overlake as more transit service becomes available and progress is made towards meeting non-single-occupancy vehicle travel objectives. This project would provide the groundwork for this re-evaluation.

Major Project Questions and Anticipated Products

Staff is preparing a work plan for the Overlake project, including draft scope and schedule and approaches for encouraging participation of stakeholders and other citizens, and has been talking with Bellevue staff regarding staff-to-staff coordination.

Staff has identified several major questions and issues to be addressed during the project, including:

1. Overlake Shopping & Mixed Use Area

- What are the barriers and opportunities to achieving the vision for the Shopping & Mixed Use Area? What are the implications of land and improvement values, ownership patterns, transportation, City zoning, and other characteristics of the area for development decisions?
- Based on consideration of the barriers and opportunities, is the vision still valid?
- How can City planning, zoning and investments attract the kind of development envisioned for this area? How should actions be phased to be most successful?

2. Overlake Primary Study Area as a whole

- Should the Overlake Center (see Map 2: Overlake Center) be designated by the City and regionally as an Urban Center?¹
- What is the role an HCT system might play in serving land use in the area?
- What are Redmond's preferred locations for HCT corridors and station areas in Overlake, and how do they support extension of HCT service to the Downtown and SE Redmond?
- What are the City's preliminary preferences regarding land use and transportation through 2030? Should the commercial development cap be increased and, if yes, under what conditions and to what level?
- What are the potential transportation impacts associated with additional commercial and multi-family residential development in Overlake, including potential impacts on nearby residential areas in Redmond and Bellevue?

¹ In October 2003, Redmond's Planning Commission began consideration of a proposed amendment to designate Overlake as an Urban Center. The City of Bellevue expressed concerns about this amendment, and in response, Redmond delayed action on this change. As part of work on Overlake Neighborhood Plan implementation and refinement work during the next several months, staff proposes to complete the process of Planning Commission and City Council review and action on this designation.

- What transportation project and program improvements would be needed to support additional development in Overlake through 2030? What improvements in other public facilities and services would be needed to support additional development? How could improvements be funded?
- What are the opportunities to improve connections between the various sub-districts within the Overlake Neighborhood, as well as between Overlake and nearby residential neighborhoods?

Staff anticipates the following major outcomes from this project:

- Determination of whether Overlake is an Urban Center.
- Identification of preferred HCT system alignment and station location(s).
- Master plan for the Overlake Shopping & Mixed Use Core to guide infill development, transportation improvements, and other investments.
- Updates to the Community Development Guide, Comprehensive Plan, and Transportation Master Plan
- Updates to environmental documents.
- Preliminary determination of what actions to consider following expiration of the BROTs agreement.

Direction from Meeting

At your June 7 meeting, staff would like any initial feedback on the proposed study and whether there is additional information that would be helpful in preparation for your joint discussion with Planning Commission. In the meantime, please contact Lori Peckol at 566-2411 if you have any questions.

Attachments:

- Map 1: Overlake Primary Study Area
- Map 2: Overlake Center